

## Message Text

CONFIDENTIAL

PAGE 01 PEKING 02342 241604Z

50

ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W  
----- 025295

R 240735Z DEC 74

FM USLO PEKING

TO SECSTATE WASHDC 3018

INFO AMCONSUL HONG KONG

C O N F I D E N T I A L PEKING 2342

STADIS////////////////////////////////////

EXDIS

E.O. 11652: GDS

TAGS: ENRG ETRD CH

SUBJECT: EXXON NEGOTIATIONS WITH PRC

REF: A) HONG KONG 12007 B) HONG KONG 12401 C) STATE 280486

1. EXXON HONG KONG REPRESENTATIVE MEL SEARLS, IN VISIT TO PEKING CONCLUDED THIS WEEK, SUCCESSFULLY NEGOTIATED RENEWAL OF EXXON'S BUNKERING CONTRACT WITH THE PRC, AND HAD TALKS WITH THE CHINA NATIONAL CHEMICALS IMPORT AND EXPORT CORPORATION (SINOCHEM) ON THE POSSIBLE PURCHASE OF PRC CRUDE AND WITH THE CIVIL AVIATION ADMINISTRATION OF CHINA (CAAC) ON POSSIBLE SUPPLY OF FUEL TO CHINESE CIVIL AIRCRAFT.

2. SEARLS SAID HIS NEGOTIATIONS ON RENEWAL OF THE WORLDWIDE BUNKERING AGREEMENT WENT VERY SMOOTHLY, BUT HE DID NOT PROVIDE DETAILS. HE DID SAY EXXON HAS ABOUT 10 PERCENT OF THE CHINESE BUNKERING BUSINESS WHICH AMOUNTS TO DOLS40 OR DOLS50 MILLION PER YEAR. HE INDICATED NO KNOWLEDGE OF THE GULF CONTRACT WITH THE CHINESE DISCUSSED REF C. SEARLS TALKS WERE WITH THE CHINA NATIONAL CHARTERING CORPORATION (ZHONGZU) AND WITH THE CHINA OCEAN SHIPPING CORPORATION (COSCO), AND THE DEAL INVOLVES BUNKERING BOTH CHINESE-CHARTERED AND CHINESE-OWNED  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PEKING 02342 241604Z

VESSELS. ZHONGZU, HIS HOST, ALSO TOOK HIM ON A VISIT

TO TIENTSIN.

3. WE DID NOT HAVE TIME TO DEBRIEF SEARLS IN DETAIL ABOUT HIS DISCUSSIONS WITH SINOCEM AND CAAC. HE SAID ONLY THAT HIS TALKS WITH SINOCEM ON THE POSSIBLE PURCHASE OF CHINESE CRUDE WENT WELL BUT THAT BOTH SIDES MUST CONSIDER THE MATTER FURTHER. HE ALSO SAID THAT CAAC SEEMED INTERESTED IN AN ARRANGEMENT WITH EXXON ON THE SUPPLY OF AVIATION FUEL BUT THAT NOTHING WAS SETTLED. AGAIN HE APPEARED TO HAVE NO KNOWLEDGE OF GULF'S DISCUSSIONS WITH THE CHINESE ON THESE MATTERS.

4. SEARLS IS SCHEDULED TO RETURN TO HONG KONG DECEMBER 24 AND CONGEN MAY BE ABLE TO OBTAIN FURTHER INFORMATION ABOUT HIS VISIT.  
BUSH

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** REFUELING, NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 24 DEC 1974  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ShawDG  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974PEKING02342  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D740373-1058  
**From:** PEKING  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19741212/aaaaajyq.tel  
**Line Count:** 77  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION SS  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** STADIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** STADIS  
**Reference:** 74 HONG KONG 12007, 74 HONG KONG 12401, 74 STATE 280486  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** ShawDG  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 22 JUL 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <22 JUL 2002 by shawdg>; APPROVED <25 MAR 2003 by ShawDG>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EXXON NEGOTIATIONS WITH PRC  
**TAGS:** ENRG, ETRD, CH, US, EXXON  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005